

AOR/PHARMACIA & UPJOHN
PARTNERSHIP PROPOSAL

Elements of proposal:

1. Contract Pricing for P&U products (see Attachment I)
 - 3-year agreement
 - 3% administrative fee on all ^{contracted} products ~~or contract~~ (\$473,800 based on '97 projections).
 - CAMPTOSAR price protection thru 1997. Six month reviews after January 1, 1998.
 - Flexibility in negotiation of pricing if government intervenes in reimbursement processes.
2. New Product Introductions

P&U will work with AOR on all new product introductions.

P&U will work with AOR at introducing our LHRH to compete against Lupron/Zoladex. Our LHRH, brand name Triptorelin, will be available in late 2nd Quarter, early 3rd Quarter.

P&U, working with AOR, would establish a pricing mechanism for Triptorelin with spreads favoring AOR versus current LHRH. Triptorelin would be a therapeutic equivalent to Lupron/Zoledex. This pricing advantage would increase profitability to AOR.
3. Medical Education Grants

A \$55,000 grant has been committed for 1997 for the AOR Partnership for excellence package including:

 - Education/Disease Management
 - Research Task Force
 - AOR Annual Yearbook

A \$40,000 grant to sponsor the AOR monthly teleconference. This sponsorship was committed and completed in February 1997.

Both of these grants would be committed in 1998 and future years if the partnership is agreed to.
4. P&U Customer Development Program with AOR

This commitment valued at \$300,000-\$400,000 would include:

 - a. Clinical practice improvement program (CPI).
 - b. Consultation on disease management processes and principles.
 - c. Research and analysis of "Best Practices" for CPI.
 - d. Design Works, a P&U customized behavior change program.
 - e. Other developmental customized programs for AOR. Example: Development of Internet access, coordination of AOR's Regional Marketing Directors for recruitment, patient satisfaction surveys, etc.

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All of the above to be co-developed to the satisfaction of AOR and P&U.

5. Clinical Research Trials

Initial Phase III Protocol trial for "Oral Idamycin" in lymphomas. This trial will offer AOR \$1.1M in additional revenues. Two hundred twenty-five (225) patients at \$5,000 per patient.

This clinical research trial is dependent on the signing of a partnership agreement. AOR will become a "first choice" for clinical studies.

6. Sharing of AOR Clinical Information Systems

P&U is committed for \$100,000 to AOR per calendar year to develop and share AOR Clinical Information System.

The above six items are contingent on the signing of the AOR Disease Management Partner Program. AOR's exclusive compliance to the purchase of the products listed in the contract product attachment is also necessary for the above items to be in effect.

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Sheet1

Attachment 1						
AOR Contract Pricing Proposal, April 1997						
Product	AWP	List Price	AOR Current Price	Suggested New Contract Prices	\$ Volume	
Adriamycin					\$	2,123,528.00
1086-91	RDF 10 mg	\$ 46.00	\$ 36.80	\$ 8.00	\$ 7.50	
1096-91	RDF 20 mg	\$ 92.00	\$ 73.60	\$ 16.00	\$ 15.00	
1106-79	RDF 50 mg	\$ 230.00	\$ 184.00	\$ 40.00	\$ 37.50	
1116-83	RDF 150 mg	\$ 676.19	\$ 540.95	\$ 120.00	\$ 114.00	
1136-91	PFS 10 mg	\$ 48.31	\$ 38.65	\$ 8.40	\$ 7.50	
1146-91	PFS 20 mg	\$ 96.63	\$ 77.30	\$ 16.80	\$ 15.00	
1156-79	PFS 50 mg	\$ 241.56	\$ 193.25	\$ 42.00	\$ 37.50	
1176-87	PFS 75 mg	\$ 362.35	\$ 289.88	\$ 63.00	\$ 56.25	
1166-83	PFS 200 mg	\$ 946.94	\$ 757.55	\$ 168.00	\$ 150.00	
Adrucil					\$	160,427.00
7525-36	500 mg	\$ 1.54	\$ 1.23	\$ 0.93	\$ 0.93	
7525-37	2.5 gm	\$ 7.69	\$ 6.15	\$ 4.42	\$ 4.42	
7525-38	5 gm	\$ 15.38	\$ 12.30	\$ 8.82	\$ 8.82	
bleomycin					\$	1,182,348.00
1616-79	15 IU	\$ 292.43	\$ 233.94	\$ 187.00	\$ 175.00	
1616-86	30 IU	\$ 584.83	\$ 467.86	\$ 374.00	\$ 350.00	
Neosar					\$	370,575.00
7525-40	100 mg	\$ 5.39	\$ 4.31	\$ 2.50	\$ 3.00	
7525-41	200 mg	\$ 10.24	\$ 8.19	\$ 3.50	\$ 3.50	
7525-42	500 mg	\$ 21.50	\$ 17.20	\$ 6.95	\$ 5.00	
7525-43	1 gm	\$ 43.01	\$ 34.41	\$ 11.50	\$ 9.00	
7525-44	2 gm	\$ 86.00	\$ 68.80	\$ 22.00	\$ 18.00	
Toposar					\$	931,621.00
7525-45	100 mg	\$ 136.49	\$ 109.19	\$ 19.50	\$ 12.00	
7525-46	200 mg	\$ 272.98	\$ 218.38	\$ 39.00	\$ 24.00	
7525-47	500 mg	\$ 665.38	\$ 532.30	\$ 97.50	\$ 60.00	
7366-73	1 gram	\$ 1,330.75	\$ 1,064.60	\$ 195.00	\$ 120.00	
Vincasar					\$	129,264.00
7525-48	1mg	\$ 370.75	\$ 296.60	\$ 4.15	\$ 4.15	
7525-49	2mg	\$ 741.50	\$ 593.20	\$ 7.75	\$ 7.50	

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Product	AWP	List Price	ACR Current Price	Suggested New Contract Prices	Volume
Zinecard					\$ 372,000.00
8715-62	250 mg	\$ 141.10	\$ 112.88	\$ 112.88	\$ 95.00
8725-89	500 mg	\$ 282.19	\$ 225.75	\$ 225.76	\$ 180.00
Amphocin					
1045-44		\$ 172.69	\$ 138.15	\$ 9.50	\$ 998.00
Cytosar-U					\$ 15,095.00
0373-01	100mg	\$ 6.96	\$5.57	0 \$ 3.24	
0473-01	500mg	\$ 92.00	\$73.60	0 \$ 10.35	
3295-01	1Gm	\$ 52.56	\$42.05	0 \$ 19.71	
3296-01	2Gm	\$ 102.90	\$82.32	0 \$ 39.41	
Depo Provera 400 mg					\$ 5,003.00
0626-01	2.5 ml	\$ 96.45	\$77.16	0 \$ 50.36	
0626-02	10 ml	\$ 366.18	\$292.94	0 \$ 180.68	
Zanosar					\$ 35,015.00
0844-01	1Gm	\$ 68.84	\$55.07	0 \$ 41.01	
Camptosar					
7529-01	5ml/100mg	\$ 481.25	\$385.00	\$ 385.00	\$ 10,315,174.00
Fragmin					
2406-91	2500IU/2ml	\$ 139.50	\$111.60	\$ 95.00	
2426-91	5000IU/2ml	\$ 237.13	\$189.70	\$ 160.00	
Total					\$ 15,793,327.00

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